

Proposition 42 Gas Tax - Fact Sheet

The funding of transportation projects from Proposition 42 is absolutely critical for San Bernardino County, the region and California. Proposition 42, the state sales tax on gasoline tax, funds the State Transportation Improvement Program (STIP) and provides matching funds for Proposition 1B, the Trade Corridor Improvement Fund (TCIF) to invest in projects ready for construction by 2013.

Financial Strategy

If the Administration “borrows” transportation dollars to balance the General Fund this year, it will have a costly “domino effect” on congestion relief projects in San Bernardino County now and in the future.

The current financial strategy for transportation infrastructure is dependent upon assured funding to maximize all funding sources. Removing or reducing one funding source jeopardizes the entire funding package for any given project. Moreover, borrowing Proposition 42 funds may cause a project to become ineligible for Proposition 1B funds, which voters intended to be used to better our state’s entire transportation system.

SANBAG is heavily relying on gasoline sales tax revenue for construction contracts. The following projects will be at risk if the Administration suspends or borrows Proposition 42 funds:

- Cherry Interchange, TCIF Project - \$3.9 million (FY08-09)
- Citrus Interchange, TCIF Project - \$3.2 million (FY08-09)
- Riverside Interchange, TCIF Project - \$1.5 million (FY08-09)
- I-15/Ranchero Rd. Interchange - \$7.03 million (FY08-09)
- I-215 North (Segments 1&2) - \$169.5 million (FY08-09)
- I-215 North (Segment 5) - \$480 thousand (FY08-09)
- SR-210/I-215 Connector, CMIA Project - \$57.9 million (FY08-09)
- I-215/Barton Interchange - \$25.4 million (FY09-10)
- Planning, Programming and Monitoring- \$2.4 million (FY08-09, 09/10)
Non-SANBAG Lead Project
- I-10 Ramp and Auxiliary, CMIA Project - \$4.4 million (FY09-10)

Total Proposition 42 funds at stake: Approx. \$278 million

Potential Negative Impacts for Transit Too

Suspension of Proposition 42 would devastate transit. If the Legislature reduces State Transit Assistance (STA) funding levels to coincide with the Governor’s May Revise AND borrows Proposition 42 funds, STA would be funded at approximately \$90 million for FY08-09, which cannot be backfilled with Proposition 1B transit bond funds.

At \$90 million, SANBAG and its transit agencies would receive about \$2.7 million this year. The transit plans for FY08-09, including Metrolink, will require an allocation of STA in the amount of nearly \$7.5 million. The loss of new STA this year will have a negative effect on future projects such as the Redlands rail and Omnitrans sbX projects. Coupled with the diversion of spillover funds (\$1.1 billion) the suspension of Proposition 42 (\$1.4 billion) will result in a total of \$2.5 billion being diverted from transportation programs statewide.

ACTION

SANBAG Recommends...

Support fully funding Proposition 42 and protect it against being loaned out to other programs. Funding from Proposition 42 is a crucial funding source for SANBAG to achieve targets to reduce gridlock and pollution, improve poorly maintained roads, expand travel options for commuters and promote the efficiency of goods movement through our region.